



*City of Arts & Innovation*

# City Council Memorandum

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**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 26, 2018**

**FROM: FINANCE DEPARTMENT** **WARD: 7**

**SUBJECT: PUBLIC HEARING – FISCAL YEAR 2018-2019 RIVERWALK LANDSCAPE MAINTENANCE DISTRICT ASSESSMENTS – RESOLUTION ADOPTION**

## **ISSUES:**

Conduct a Public Hearing to receive public comment regarding the levy of annual assessments within the Riverwalk Landscape Maintenance District; and adopt a Resolution confirming the Engineer's Report and establishing the Fiscal Year 2018-2019 Riverwalk Landscape Maintenance District assessments.

## **RECOMMENDATIONS:**

That the City Council:

1. Conduct the Public Hearing for the purpose of receiving comments relative to the Fiscal Year 2018-2019 Riverwalk Landscape Maintenance District assessments; and
2. Adopt a resolution confirming the Engineer's Report and establishing the Fiscal Year 2018-2019 Riverwalk Landscape Maintenance District assessments.

## **BACKGROUND:**

The Riverwalk Landscape Maintenance District (District) was formed under the provisions of the 1972 Street Lighting and Landscaping Act. The District formation was approved by property owner ballot in July 2002, as required by Proposition 218. The landscape improvements designed for the project are in excess of normal City standards and the construction of the improvements has been funded by the developer of the Riverwalk neighborhood.

A Public Hearing has been scheduled to discuss and adopt a resolution for the proposed Fiscal Year (FY) 2018-2019 assessments for the Riverwalk Landscape Maintenance District. The Public Hearing and resolution adoption is required by law and occurs each fiscal year to allow for the levy of assessments on the properties within the District. The cost of maintaining the landscaping and administration of the District will be assessed to the property owners within the District. All parcels within the District have been assessed annually regardless of the status of their development.

**DISCUSSION:**

The procedures of the Lighting and Landscaping Act of 1972 require a Public Hearing prior to the adoption of a resolution confirming the Engineer's Report and levying the annual assessments.

Annually, the assessments are reviewed and any unspent balance remains with the District and can serve to reduce the subsequent years' assessments. An excess balance of \$236,179 was used to reduce the current year's assessments. The Engineer's Report reflects annual assessment for FY 2018-2019 to be \$243.14 per residential parcel. The District formation process allows for a maximum annual assessment of \$330.69 per residential parcel, increased each year by the Consumer Price Index. The assessments levied in any year will not exceed the estimated amount required to maintain the improvements.

The increase in the assessment for FY 2018-2019 is the result of increases in maintenance costs. The District's budget has experienced a constant levy since FY 2010-2011; however, an in-depth analysis of actual costs to provide services to the district have resulted in increases of approximately 30% over the prior year. As a result, after taking into account unspent balances, an additional increase of approximately 8% was required to cover increased operating expenses. However, the amount required for the assessment continues to be significantly lower than the maximum assessable which based on the CPI adjustments is estimated at \$462,922 for FY2018-2019.

Riverwalk LMD 2018-19		Riverwalk LMD 2017-18	
Budgeted Expenditures		Budgeted Expenditures	
Contract Maintenance	\$ 231,166	Contract Maintenance	\$ 200,648
Utilities	20,484	Utilities	15,000
Contract Contingencies and Misc Repairs	41,000	Contract Contingencies and Misc Repairs	35,000
Assessment Engineer	4,500	Assessment Engineer	4,500
City Labor and Overhead	285,134	City Labor and Overhead	186,760
Operating Costs	3,000	Operating Costs	9,000
<b>Total Estimated Cost</b>	<b>585,284</b>	<b>Total Estimated Cost</b>	<b>450,908</b>
Less: 2017/18 Surplus	(236,179)	Less: 2016/17 Surplus	(126,803)
<b>Amount Required for 2018/19 Assessment</b>	<b>\$ 349,105</b>	<b>Amount Required for 2017/18 Assessment</b>	<b>\$ 324,105</b>
<b>Maximum Assessable 2018-19</b>	<b>\$ 462,922</b>	<b>Maximum Assessable 2017-18</b>	<b>\$ 451,032</b>

**FISCAL IMPACT:**

The cost of maintaining the parcels within the District will be assessed to the property owners within the District. Assessments are based on actual and projected expenditures and will not exceed the maximum assessment established in FY 2002-2003 with the District formation. The FY 2018-2019 estimated landscape budget for the Riverwalk area is \$585,284; the assessment per residential parcel will be \$243.14. In FY 2017-2018 the estimated landscape budget for the District was \$450,908 and the assessment per residential parcel was \$225.72.

Prepared by:	Adam Raymond, Chief Financial Officer/ City Treasurer
Approved as to availability of funds:	Edward Enriquez, Assistant CFO/Deputy City Treasurer
Approved by:	Lea Deensing, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney

**Attachments:**

1. Resolution
2. FY 2018-2019 Riverwalk Landscape Maintenance District Engineer's Report
3. Presentation